

# State of South Dakota

## SEVENTY-FIFTH SESSION LEGISLATIVE ASSEMBLY, 2000

167D0535

### HOUSE ENGROSSED NO. **HB1128** - 1/31/00

Introduced by: Representatives Brooks, Chicoine, Fischer-Clemens, Garnos, Munson (Donald),  
and Sebert and Senators Drake, Duxbury, and Lange

1 FOR AN ACT ENTITLED, An Act to revise certain bylaw and quorum provisions regarding  
2 cooperatives.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 47-16-7 be amended to read as follows:

5 47-16-7. A quorum at a member meeting of a cooperative shall be ten percent of the first one  
6 hundred members plus five percent of additional members, present in person or represented by  
7 delegate. Unless the bylaws fix a larger number of members to constitute a quorum, a quorum  
8 ~~shall~~ may never be more than fifty members nor less than five members, or a majority of all  
9 members, whichever is smaller. Members represented by signed vote may be counted in  
10 computing a quorum only on those questions as to which the signed vote is taken. The  
11 sufficiency or requirement of a quorum for the transaction of business at a district meeting of  
12 members shall be established in the bylaws. However, the quorum may not be less than five  
13 members.

14 Section 2. That § 47-21-56 be amended to read as follows:

15 47-21-56. Unless the bylaws prescribe the presence of a greater percentage or number of the  
16 members for a quorum, a quorum for the transaction of business at all meetings of the members

1 of a cooperative having not more than one thousand members, shall be five ~~percentum~~ percent  
2 of all members, present in person, and of a cooperative having more than one thousand members,  
3 shall be fifty members, present in person. If less than a quorum is present at any meeting, a  
4 majority of those present in person may adjourn the meeting from time to time without further  
5 notice. The sufficiency or requirement of a quorum for the transaction of business at a district  
6 meeting of members shall be established in the bylaws. However, the quorum may not be less  
7 than five members.

8 Section 3. That § 47-15-5 be amended to read as follows:

9 47-15-5. It is not necessary to set forth in the articles of incorporation any of the powers  
10 granted by chapters 47-15 to 47-20, inclusive. The articles may include additional provisions,  
11 consistent with law, including provisions which are required or permitted to be set forth in the  
12 bylaws. Any provision required or permitted in the bylaws has equal force and effect if stated in  
13 the articles. Whenever a provision of the articles is inconsistent with a bylaw, the articles control.  
14 The bylaws of a cooperative may contain any provisions for the regulation and maintenance of  
15 the affairs of the cooperative not inconsistent with law or the articles of incorporation.

16 Section 4. That § 47-21-19 be amended to read as follows:

17 47-21-19. The bylaws of a cooperative shall set forth the rights and duties of members and  
18 directors and may contain other provisions for the regulation and management of the affairs of  
19 the cooperative not inconsistent with this chapter or with its articles of incorporation. The bylaws  
20 of a cooperative may contain any provisions for the regulation and maintenance of the affairs of  
21 the cooperative not inconsistent with law or the articles of incorporation.

22 Section 5. That § 47-17-4 be amended to read as follows:

23 47-17-4. The directors of a cooperative constituting the temporary board, named in the  
24 articles, shall hold office until the first member meeting. At that meeting and thereafter, directors  
25 shall be elected by a majority of the members present at a duly called meeting of the members

1 in the manner and for the terms provided in the bylaws. If the bylaws provide that directors be  
2 from specified territorial districts, the articles may limit voting for any director to members from  
3 within the territorial district from which such director is to be elected. The bylaws may provide  
4 that directors may be elected at district director election meetings held for said purpose. Unless  
5 the bylaws provide otherwise, a director's term of office shall be one year. Each director shall  
6 hold office for the term for which elected and until his successor takes office. The bylaws may  
7 permit selection of alternates to take the place of directors absent at a meeting of the board.

8 Section 6. That § 47-21-20 be amended to read as follows:

9 47-21-20. The bylaws may provide for the division of the territory served or to be served by  
10 a cooperative into two or more districts for any purpose, including, without limitation, the  
11 nomination and election of directors and the election and functioning of district delegates. In  
12 such case the bylaws shall prescribe the boundaries of the district, or the manner of establishing  
13 such boundaries, and the manner of changing such boundaries, and the manner in which such  
14 districts shall function. No member at any district meeting and no district delegate at any meeting  
15 shall vote by proxy or by mail. The bylaws may provide that directors may be elected at district  
16 director election meetings held for said purpose.

1    **BILL HISTORY**

2    1/18/00 First read in House and referred to Judiciary. H.J. 117

3    1/26/00 Scheduled for Committee hearing on this date.

4    1/26/00 Judiciary Do Pass Amended, Passed, AYES 12, NAYS 1. H.J. 251

5    1/28/00 Motion to Amend, Passed. H.J. 289

6    1/28/00 House of Representatives Do Pass Amended, Passed, AYES 62, NAYS 1. H.J. 290

7    1/28/00 House of Representatives Title Amended Passed. H.J. 290